

Appendix 10

Examples of best practices in fraud prevention and identification

Examples of Best Practices in Recipient Program Integrity

Partners in Program Integrity Consortium

In early 2009 Brown County Executive Tom Hinz convened a Lean Management Steering Committee. Lean techniques have produced impressive results in manufacturing environments, so Brown County is taking some of these techniques or adaptation of techniques and applying them to county government. The purpose of this initiative is to enable county employees to take time and steps to examine processes all with an eye to improving quality, reducing costs, improving customer service by approaching one value stream at a time.

As a result of using this Lean process to review their fraud prevention program, Brown County staff developed several tools for their line staff to use:

- Training on interviewing skills assist in fraud prevention
- An updated error prone profile they identify as "Red Flags."
- A pre-recorded message about rights and responsibilities, including fraud penalties, that all customers calling for a phone interview listen to before conducting their phone interview

Central Wisconsin Consortium

The forty agencies in this consortium reached an agreement with their investigation service provider to have the provider establish the claim for each case investigated where an overpayment occurred. This ensures the claim is done quickly and provides for real-time cost benefits saving data. The service provider also has created a database that allows them to quickly provide real-time data to individual agencies or the consortium regarding performance. A sample report from the service provider, O'Brien and Associates is attached.

Eau Claire County Consortium

Eau Claire County does a regular check of county jail list against their caseload data to find individuals that are currently incarcerated and may not be eligible for Medicaid and/or FoodShare Program benefits.

Southern Wisconsin Consortium

Rock County has developed a streamlined process for establishing an intentional program violation sanction for FoodShare by working closely with their District Attorney's office and Sheriff's Department. A Sheriff's Department detective determines whether or not a fraud referral is handled with a pre-charge diversion or criminal prosecution in court. The decision is based on the amount of the overpayment and strength of the case. The usual cutoff for pre-charge diversion is \$2,500. An amount above that is usually sent to court for prosecution.

Independent Agencies

Despite limited funding both Marinette and Waukesha Counties have chosen to fund a full-time investigator in house for their Fraud Prevention and Investigation Program (FPIP). Both agencies were able to establish a benefit savings to cost ratio slightly above the target performance measure of 5 to1 for the first quarter of 2011. Marinette was at 5.12 and Waukesha was at 5.36.

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Total number of referrals for 1 st quarter:	188
Total number of cases completed to date:	188
Total number of cases with O.P. or Savings established:	60 – 30%
Number of cases awaiting disposition from agency:	43
Number of cases with no changes:	85
Total O.P. discovered to date:	\$305,073.82
Total cost avoidance reported to date:	\$268,248
Total savings reported to date:	\$573,321.82
Cost savings ratio calculated to date:	\$9.55 - \$1

NOTE: All additional overpayments and savings that will be reported for the 1st quarter will go against this already paid cost, significantly driving up the ratio.

We are finding about a 30% error rate so the 43 cases still awaiting a disposition by the agencies should be in about 15 additional cases.

A "ball park" figure of savings for those cases should be an additional \$150,000 that would bring the cost saving ratio to \$12 To \$1.